

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Structure and Practices of the Video Relay
Service Program

CG Docket No. 10-51

Telecommunications Relay Services and
Speech-to-Speech Services for Individuals
with Hearing and Speech Disabilities

CG Docket No. 03-123

**COMMENTS OF ASL SERVICES HOLDINGS, LLC DBA GLOBALVRS ON
ROLKA LOUBE PAYMENT FORMULAS AND FUNDING REQUIREMENTS**

ASL Services Holdings, LLC dba GlobalVRS (“GlobalVRS”) submits these comments in response to the Commission’s May 10, 2017 *Public Notice*¹ requesting comment on Rolka Loube Associates (“RL”) payment formulas and funding requirements for the Interstate Telecommunications Relay Services Fund 2017-18 Fund Year.² GlobalVRS applauds RL’s thorough analysis and objective data-driven recommendations and considerations that are free from self-serving, investor-driven approaches. As discussed below, GlobalVRS supports RL’s proposed per-minute video relay service (“VRS”) reimbursement rate for smaller “emergent” providers as set forth in RL’s recommendations in the *2017 TRS Rate Filing*. Further, GlobalVRS urges Commission adoption of RL’s recommendation to set the rate for each

¹ Rolka Loube Associates LLC Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the 2017-18 Fund Year, Public Notice, CG Docket Nos. 03-123, 10-51, DA 17-445 (rel. May 10, 2016)[*Public Notice*].

² Rolka Loube Associates LLC, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate, CG Docket Nos. 03-123 and 10-51 (filed May 2, 2017) [*2017 TRS Rate Filing*].

individual provider based on the provider's cost of service for VRS providers rather than on a heavily weighted industry average, as is separately being addressed under the 2017 FNPRM.³

I. RETROACTIVE ADOPTION OF THE PROPOSED “EMERGENT,” SPECIALIZED PROVIDER RATE FOR THE 2017-2018 FUND YEAR WILL ENABLE SMALLER PROVIDERS TO CONTINUE PROVIDING VRS.

RL has proposed adoption of a \$5.29 per conversation minute reimbursement rate as supported by the iTRS Advisory Council (“Council”), without six month adjustment.⁴ This is the same reimbursement rate proposed by the non-dominant providers⁵ and the reimbursement rate for small, specialized providers such as GlobalVRS, currently under consideration by the Commission through its *Report and Order, Notice of Inquiry, and Further Notice of Proposed Rulemaking, and Order*, as RL notes. GlobalVRS has previously expressed its support of the \$5.29 per minute small provider reimbursement rate, provided financial information supporting the \$5.29 rate to RL and the Commission, and need not reiterate the basis for its support again here.

Beginning at the time the Commission adopted of the 2016 “rate freeze,” RL has advised, and the Commission acknowledged that:

The record of this proceeding confirms that for each of the smallest VRS providers, the per-minute costs incurred or projected by the provider in calendar years 2015 and 2016, respectively, are *higher* than the “blended” compensation rate applicable to that provider in that year” and “Further, the smallest VRS providers credibly argue that available financing arrangements will not permit them to maintain operations indefinitely in accordance with the Commission’s minimum TRS standards while continuing to operate at a loss.”⁶

³ *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 10-51 and 03-123, *Report and Order, Notice of Inquiry, Further Notice of Proposed Rulemaking, and Order* (March 23, 2017) [2017 FNPRM].

⁴ 2017 TRS Rate Filing page 42.

⁵ See, e.g. *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 10-51 and 03-123, *Joint Comments of ZVRS, Purple, Convo and GlobalVRS to the Further Notice of Proposed Rulemaking, Structure and Practices of the Video Relay Services Program* (April 24, 2017) [Non-Dominant Provider Rate Proposal] page 8.

⁶ See, *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 10-51 and 03-123, *Comments of ASL Services Holdings, LC dba GlobalVRS on Rolka*

There is ample evidence in the record to support adoption of a \$5.29 per minute small provider rate, as RL proposes.⁷

Though the proposed rate does not entirely compensate GlobalVRS for its allowable costs including the provision of specialized skilled services for Spanish language and DeafBlind interpretation, the reimbursement rate, coupled with a degree of reimbursement rate stability and implementation of other promised Commission reforms as addressed in the *2017 FNPRM*, will enable GlobalVRS to continue providing VRS for the foreseeable future. GlobalVRS supports, and urges the Commission to adopt, RL's \$5.29 per minute specialized provider allowable cost reimbursement rate retroactively to the end of the rate freeze period.⁸

II. VRS ALLOWABLE COST REIMBURSEMENT RATES SHOULD BE BASED ON EACH PROVIDER'S INDIVIDUAL ALLOWABLE SERVICE COSTS.

RL has proposed that the Commission "set the rate for each provider individually based on the provider's cost of service."⁹ GlobalVRS has long supported an individual provider cost approach for VRS provider rate reimbursement¹⁰ and urges the Commission to consider adoption of this option for VRS under the 2017 FNPRM proceeding.

RL notes that the "problem with this approach is that there is no incentive to reduce the cost of high-cost inefficient companies or to reduce the incentive to stimulate demand."¹¹ Neither concern has been demonstrated applicable to GlobalVRS. As each provider is already subject to

Loube Payment Formulas and Funding Requirements (May 23, 2016) at 3, and reflected in the Commission's *2017 FNPRM* at para. 88.

⁷ *2017 TRS Rate Filing* at 42.

⁸ GlobalVRS recognizes that retroactive adoption of the \$5.29 small provider reimbursement rate is being addressed through the *2017 FNPRM* proceeding. Nevertheless, the proposed rate and the manner in which it is implemented are closely related and should be considered collectively in light of the significant impact on smaller providers.

⁹ *2017 TRS Rate Filing* at 19, 23.

¹⁰ See e.g. Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket Nos. 10-51 and 03-123, Comments of ASL Services Holdings, LLC (dba GlobalVRS) (December 9, 2015) page 6; *GlobalVRS 2017 FNPRM Comments* at 7.

¹¹ *Id.* at 23

audit, the entirety of its operations is open for Commission analysis of provider efforts to cut costs – become ever more efficient; *e.g.* search for lower cost vendors, engage in professional development to encourage ongoing operational efficiencies, and pursue new technology demonstrated to reduce operating expenses over time. Reimbursement adjustments could be made in accordance with audit results.

And VRS interpretation and specialized interpretation in particular, remains a function where company size/the amount of subscriber usage is not synonymous with efficiency, as GlobalVRS has also addressed. Demand stimulation for a specialized provider may simply translate into providing specialized services to a broader segment of the communities it services rather than seeking to stimulate broader usage overall¹²

RL's analysis of individual provider costs of service has already demonstrated the adverse impact of the current weighted average cost approach on smaller, specialized providers. The individual provider costs of service option should now be adopted for VRS providers.

[Signature on following page.]

¹² See, *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 10-51 and 03-123, *Expert Report of Harold Furchtgott-Roth* (April 24, 2017) at page 8.

Respectfully submitted this 24th day of May, 2016,

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